

### **Charity / Discount Care (Modified 01/01/2011)**

Gateways Hospital is committed to providing high quality, comprehensive psychiatric health care services to its clients regardless of their ability to pay. Gateways Hospital strives to ensure that the financial capacity of people who need psychiatric health care services does not prevent them from seeking or receiving care. Financial assistance is not considered to be a substitute for personal responsibility, and patients are expected to cooperate with Gateways procedures for obtaining financial assistance and to contribute to the cost of their care based upon the patient's ability to pay not their willingness to pay. Information about financial assistance available from Gateways shall be disseminated by including the publication of notices in patient bills, and delivery of patient notification at the time of registration.

### **Charitable Care (Modified 01/01/2015)**

Charitable Care is defined as a full charitable deduction (100% discount) for all eligible amounts owed to Gateways Hospital.

1. Eligibility for charity care will be considered for those individuals who provide documentation of ineligibility for government sponsored programs including Short Doyle, Medi-Cal, Medicare and the California Health Benefit Exchange (Information on how to apply for these programs will be given to the patient by a Gateways Hospital staff member). Documentation of ineligibility is ordinarily obtained through applying for and being denied coverage.
2. Eligibility for charity care will also be considered for those individuals with high medical costs that are covered by third party insurance and who are uninsured, ineligible for any government benefit program and / or unable to pay for their care, based upon a determination of financial need in accordance with this policy.
3. A patient may qualify for charitable care prior to admission, after admission, after discharge, or during the course of the financial assistance process. Every attempt will be made to identify all available funding sources. If a funding source cannot be identified after full compliance by the patient or guarantor, charity care may be provided. A request for charity care may be initiated via completion of a Charity / Discount Care application (Form #2) and provide the following supporting documentation; the client's most recent W-2 form, one month worth of paycheck stubs and Federal Income Tax Return.
4. The Charity / Discount Care application (Form # 2) may be completed by telephone with the assistance of a Patient Accounts Representative or by completing, signing and returning to Gateways Hospital Patient Accounting Department.
5. The granting of charity care shall be based on an individualized determination of financial need and shall not take into account, age, gender, race, socio-economic or immigrant status, sexual orientation, or religious affiliation. Factors for determining financial need may include but are not limited to family income, family size, extent of patient's medical bills, and employment status.
6. Financial obligations not eligible for consideration for charity care are co-pays, Indemnity balances, or share of cost. Elective procedures or services denied by available funding sources as not medically necessary are not eligible for charity care. Upon request, special consideration may be made by the Chief Financial Officer.

7. The Director of Patient Accounting or designee will review all applications to determine eligibility for charity care based upon monthly income and family size as provided by the Charity / Discount Care application (Form # 2). Reasonable efforts will be made to verify all financial data. After review of the application the Patient Accounting Director will complete the Charity Care Eligibility Determination Form (Form # 3).
8. Gateways Hospital will provide a full charitable deduction for applicants whose qualifying income is at poverty level established by the Department of Health and Human Services (HHS) Poverty Guidelines.

Persons in Family or Household	Maximum Annual Income
1	\$11,670
2	\$15,730
3	\$19,790
4	\$23,850
5	\$27,910
6	\$31,970
7	\$36,030
8	\$40,090

\*Schedule based upon 2015 poverty guidelines updated periodically in the Federal Register by the U.S. Department of Health and Human Services.

The following guidelines will be utilized for Charity Care approval thresholds:

- |                                   |                        |
|-----------------------------------|------------------------|
|                                   | Account Balance:       |
| 1) Chief Executive Officer        | greater than \$25,000  |
| 2) Chief Financial Officer        | greater than \$ 10,000 |
| 3) Director of Patient Accounting | All Balances           |

All patient accounts qualifying for Charity Care should be segregated and retained for possible audit. All Charity Care applications and determinations should be filed in the patient account file.

The hospital CFO is responsible to ensure that Charity Care write-offs are separately reported on both the hospital's General Ledger and all applicable reports and schedules at the time they are recognized.

### **Discount Care (Modified 01/01/2015)**

In addition to charitable care, Gateways Hospital has established two additional discount payment options based upon the financial eligibility of the individuals requesting assistance. Patients who qualify for the multiple discounts under this policy will be granted the single discount amount resulting in the largest discount to the patient. Discount payment options include the low income discount and the high medical cost discount. Eligibility for discount payment options will be considered for those individuals who provide documentation of ineligibility for government sponsored programs including, Short Doyle, Medi-Cal and Medicare (Information on how to apply for these programs will be given to the patient by a member of Gateways Hospital staff). Documentation is

ordinarily obtained through applying for and being denied coverage under a government sponsored program.

1. Eligibility for discount care will be considered for those individuals who provide documentation of ineligibility for government sponsored programs including Short Doyle, Medi-Cal and Medicare. Documentation of ineligibility is ordinarily obtained through applying for and being denied coverage.
2. Eligibility for discount care will be considered for those individuals with high medical costs that are covered by third party insurance and who are uninsured, ineligible for any government benefit program and / or unable to pay for their care, based upon a determination of financial need in accordance with this policy.
3. A patient may qualify for discount care prior to admission, after admission, after discharge, or during the course of the financial assistance process. Every attempt will be made to identify all available funding sources. If a funding source cannot be identified after full compliance by the patient or guarantor, discount care may be provided. A request for discount care may be initiated via completion of a Charity / Discount Care application (Form #2) and provide the following supporting documentation; the clients most recent W-2 form, one month worth of paycheck stubs and Federal Income Tax Return. High Medical Cost discounts will require 12 months worth of pay stubs and 12 months worth of out-of-pocket medical expenses.
4. The Charity / Discount Care application (Form # 2) may be completed by telephone with the assistance of a Patient Accounts Representative or by completing, signing and returning to Gateways Hospital Patient Accounting Department.
5. The granting of discount care shall be based on an individualized determination of financial need and shall not take into account, age, gender, race, socio-economic or immigrant status, sexual orientation, or religious affiliation. Factors for determining financial need may include but are not limited to family income, family size, extent of patient's medical bills, and employment status.
6. The Director of Patient Accounting or designee will review all applications to determine eligibility for discount care based upon monthly income and family size as provided by the Charity / Discount Care application (Form # 2). Reasonable efforts will be made to verify all financial data. After review of the application the Patient Accounting Director will complete the Discount Care Eligibility Determination Form (Form # 3A).

***Low Income Discount:***

Gateways Hospital will provide a partial discount for patients monthly income is between 101% and 350% above poverty level established by the Department of Health and Human Services (HHS) Poverty Guidelines.

<b>Persons in Family or Household</b>	<b>Maximum Annual Income</b>
1	\$11,787 to \$40,845
2	\$15,887 to \$55,055
3	\$19,988 to \$69,265
4	\$24,089 to \$83,475

5	\$28,189 to \$97,685
6	\$32,290 to \$111,895
7	\$36,390 to \$126,105
8	\$40,491 to \$140,315

\*Schedule based upon 2015 poverty guidelines updated periodically in the Federal Register by the U.S. Department of Health and Human Services.

Financial obligations not eligible for consideration are co-pays, indemnity balances, or share of cost. Elective procedures or procedures or services denied by available funding sources as not medically necessary are not eligible for low income discounts.

Eligible patients' obligation will be reduced no more than the applicable Medi-Cal Rates in effect at date of service. Where Medi-Cal rates cannot be determined, eligible patients will receive a 75% discount from charges. In addition patients receiving partial discounts may be eligible for interest free payment plans.

### ***High Medical Cost Discount***

Gateways Hospital will provide a partial discount to those patients whose income for the last twelve months does not exceed 350% of the Department of Health and Human Services Poverty Guidelines, regardless of whether they have received a discounted rate from the hospital as a result of their third-party insurance coverage and their annual out-of-pocket medical expenses (excluding co-pays, indemnity balances, and share of cost) for the prior twelve months exceed ten percent of their family's annual income. The Director of Patient Accounting will use the following table in addition to review of the clients out-of-pocket medical expenses to determine eligibility for the high medical cost discount.

<b>Persons in Family or Household</b>	<b>Maximum Annual Income</b>
1	\$40,845
2	\$55,055
3	\$69,265
4	\$83,475
5	\$97,685
6	\$111,895
7	\$126,105
8	\$140,315

\*Schedule based upon 2015 poverty guidelines updated periodically in the Federal Register by the U.S. Department of Health and Human Services.

Financial obligations not eligible for consideration are co-pays, indemnity balances, or share of cost where the patient has received a discounted rate from the hospital as a result of his or her third party coverage. Elective procedures or services denied by available funding sources as not medically necessary are not eligible for high medical cost discounts. Upon request, special consideration may be made by the Chief Financial Officer.

Eligible patients' obligation will be reduced no more than the applicable Medi-Cal rates in effect at date of service. Where Medi-Cal rates cannot be determined, eligible patients will receive a 75% discount from charges.

*Example # 1 – Patient has qualified for a discount based upon high medical cost. Patient has total charges of \$10,000. The patient's third party insurance paid \$6,000 and has left the patient responsible for co-pay of \$4,000. If billed Medi-Cal would have paid \$5,000 for the same services. Upon these discount criteria, the patient would not be responsible for the \$4,000 co-pay as the amount paid by the third party insurance has exceeded the Medi-Cal reimbursement amount.*

*Example # 2 - Patient has qualified for a discount based upon high medical cost. Patient has total charges of \$10,000. The patient's third party insurance paid \$6,000 and has left the patient responsible for co-pay of \$4,000. If billed Medi-Cal would have paid \$7,500 for the same services. Upon these discount criteria, the patient would be responsible for the difference between the allowed amount of \$7,500 and the paid amount of \$6,000, therefore leaving a balance owed of \$1,500.*

The following guidelines will be utilized for Discount Care approval thresholds:

1) Chief Executive Officer	Account Balance: greater than \$25,000
2) Chief Financial Officer	greater than \$ 10,000
3) Director of Patient Accounting	All Balances

All patient accounts qualifying for Charity or Discount Care should be segregated and retained for possible audit. All Charity or Discount Care applications and determinations should be filed in the patient account file.

The hospital CFO is responsible to ensure that Charity and Discount Care write-offs are separately reported on both the hospital's General Ledger and all applicable reports and schedules at the time they are recognized.

### **Patient Payment Plans (Modified 01/01/2015)**

Upon request Gateways Hospital will negotiate an interest free, patient payment plan within the following guidelines:

1. Outstanding patient balance is to be paid in the most expeditious manner possible with a minimum monthly payment amount of \$100.
2. Patients with balances of \$1,000 or less must be paid within six months.
3. All other contractual terms should not exceed twelve months unless approved by the Chief Financial Officer.
4. In instances where an agreement cannot be reached in regards to the above a patient will be offered a payment plan not to exceed 10% of a patient's familial income for one month excluding deductions for essential living expenses which are defined as rent or house payments, food and household supplies, utilities and telephone, clothing, medical and dental payments, insurance, school or child care, child and spousal support,

transportation and automobile expenses laundry and cleaning expenses, and other extraordinary expenses.

### **Collection Guidelines (Modified 01/01/2007)**

Patient guarantors must complete all financial paperwork, be in process with an eligibility application for a government sponsored insurance program or set up a payment plan within sixty days of final bill or the collection process will begin.

Patient guarantors will receive one initial, and three follow notices in 30 day increments from the Business Office generated by Gateways Hospital internal system.

Gateways Hospital will assign any financial obligation to a debt collection agency after 150 days from final bill date where the patient has failed to comply with an established payment plan or non-payment on an account where the patient guarantor is not in process with an eligibility application for a government sponsored insurance program. Per Los Angeles County Department of Mental Health Guidelines Gateways Hospital will not send Short Doyle or County Indigent clients to a collection agency. However all attempts will be made by Gateways Hospital internal staff to collect any amounts owed by Short Doyle or County Indigent clients.

In the course of debt collection involving low-income uninsured or underinsured patients who are at or below 350% of the Federal Poverty Level, Gateways Hospital or any associated Collection Agency will not garnish wages or place liens on primary residences as a means of collecting unpaid bills.

Prior to contracting with a Collection Agency Gateways Hospital will require a written agreement that ensures full compliance with this policy and all guidelines provided in California Assembly Bill 774 and all applicable Federal and State laws including:

- a. Upon notification by the patient, the agency will return all accounts to Gateways Hospital that are applying for a government assistance program or may qualify under the Gateways Hospital Charity and Discount Care Policy
- b. Prior to commencing collection activities against a patient, the patient will be provided with a written notice that nonprofit credit counseling services may be available in the area and a plain language summary of the patient's rights pursuant to the Rosenthal Fair Debt Collection Act.
- c. Agency shall not report adverse information to a consumer credit reporting agency or commence civil action against the patient for non payment at any time prior to 150 days after final bill.
- d. The collection agency will not pursue legal action without the approval of the Chief Financial Officer.

- e. Patient communications will be provided in English and Spanish and in languages other than English that may be deemed appropriate to the patient.

All documentation will be maintained by the Patient Accounting Department in accordance with regulatory guidelines.

This policy does not apply to professional services provided Gateways Hospital patients by physicians or other medial providers.

### **Reserve for Uncollectible Accounts**

It is the policy of Gateways Hospital to maintain a reserve for uncollectible accounts receivable. At the end of each fiscal year, the allowance for doubtful accounts is adjusted based on the following factors:

1. An analysis of outstanding, aged accounts receivable
2. Historical collection and bad debt experience
3. Evaluations of specific accounts based on discussions with the department that originated the sale resulting in the receivable

Year-end adjustments to the reserve for uncollectible accounts shall be performed only with authorization from the Chief Financial Officer.

This reserve account is used in the following year to write off those items that are deemed uncollectible from the prior year after further collection efforts have been abandoned, as described earlier